

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-200900

DOCKET NO. UG-200901

DOCKET NO. UE-200894

(Consolidated)

EXH. AMM-17

ADRIEN M. MCKENZIE, CFA

REPRESENTING AVISTA CORPORATION

EXPECTED EARNINGS APPROACH

Exh. AMM-17

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PARCELL PROXY GROUP

| | (a) | (b) | (c) |
|--------------------------------|---|------------------------------|---|
| <u>Company</u> | <u>Expected Return on Common Equity</u> | <u>Adjustment Factor</u> | <u>Adjusted Return on Common Equity</u> |
| 1 ALLETE | 9.0% | 1.0161 | 9.1% |
| 2 Avista Corp. | 8.5% | 1.0214 | 8.7% |
| 3 Black Hills Corp | 9.0% | 1.0327 | 9.3% |
| 4 Hawaiian Electric Industries | 9.0% | 1.0184 | 9.2% |
| 5 IDACORP | 9.5% | 1.0179 | 9.7% |
| 6 NorthWestern Corp | 8.5% | 1.0208 | 8.7% |
| 7 OGE Energy | 13.0% | 1.0161 | 13.2% |
| 8 Otter Tail Corp | 12.5% | 1.0221 | 12.8% |
| 9 Pinnacle West Capital | 11.0% | 1.0237 | 11.3% |
| Average | 10.0% | | 10.2% |

(a) The Value Line Investment Survey (Feb. 12, Mar. 12 and Apr. 23, 2021).

(b) Computed using the formula $2 \times (1 + 5\text{-Yr. Change in Equity}) / (2 + 5 \text{ Yr. Change in Equity})$.

(c) (a) x (b).

WOOLRIDGE ELECTRIC PROXY GROUP

| | (a) | (b) | (c) |
|---------------------------|---|------------------------------|---|
| <u>Company</u> | <u>Expected Return on Common Equity</u> | <u>Adjustment Factor</u> | <u>Adjusted Return on Common Equity</u> |
| 1 ALLETE | 9.0% | 1.0161 | 9.1% |
| 2 Alliant Energy | 10.5% | 1.0250 | 10.8% |
| 3 Ameren Corp. | 10.0% | 1.0397 | 10.4% |
| 4 American Elec Pwr | 11.0% | 1.0384 | 11.4% |
| 5 Avista Corp. | 8.5% | 1.0214 | 8.7% |
| 6 CMS Energy Corp. | 14.0% | 1.0429 | 14.6% |
| 7 Consolidated Edison | 8.0% | 1.0219 | 8.2% |
| 8 Dominion Energy | 12.0% | 1.0361 | 12.4% |
| 9 Duke Energy Corp. | 8.5% | 1.0135 | 8.6% |
| 10 Edison International | 11.5% | 1.0249 | 11.8% |
| 11 Entergy Corp. | 11.0% | 1.0276 | 11.3% |
| 12 Evergy Inc. | 9.0% | 1.0178 | 9.2% |
| 13 Eversource Energy | 9.5% | 1.0263 | 9.7% |
| 14 Hawaiian Elec. | 9.0% | 1.0184 | 9.2% |
| 15 IDACORP, Inc. | 9.5% | 1.0179 | 9.7% |
| 16 MGE Energy | 9.5% | 1.0198 | 9.7% |
| 17 NextEra Energy, Inc. | 12.5% | 1.0374 | 13.0% |
| 18 NorthWestern Corp. | 8.5% | 1.0208 | 8.7% |
| 19 OGE Energy Corp. | 13.0% | 1.0161 | 13.2% |
| 20 Otter Tail Corp. | 12.5% | 1.0221 | 12.8% |
| 21 Pinnacle West Capital | 11.0% | 1.0237 | 11.3% |
| 22 Portland General Elec. | 10.0% | 1.0175 | 10.2% |
| 23 PPL Corp. | 12.5% | 1.0253 | 12.8% |
| 24 Sempra Energy | 11.5% | 1.0367 | 11.9% |
| 25 Southern Company | 13.0% | 1.0213 | 13.3% |
| 26 WEC Energy Group | 13.0% | 1.0196 | 13.3% |
| 27 Xcel Energy Inc. | 10.5% | 1.0262 | 10.8% |
| Average | 10.8% | | 11.1% |

(a) The Value Line Investment Survey (Feb. 12, Mar. 12 and Apr. 23, 2021).

(b) Computed using the formula $2 * (1 + 5\text{-Yr. Change in Equity}) / (2 + 5\text{ Yr. Change in Equity})$.

(c) (a) x (b).